



REALTOR® Office Contact (ROC) - Legislative Briefing March/April 2007

Every day governmental bodies and elected officials are making decisions that impact the real estate industry and thus REALTOR® livelihoods. This briefing will help keep you informed about the issues which could affect you and how the San Diego Association of REALTORS® is working to protect your business.

LOCAL ISSUES

City of San Diego Proposed Amendments Regarding “Mini Dorms”: Code amendments are up for consideration on July 9, 2007. Mini dorms, single dwelling units occupied by multiple adults, in some instances are adversely affecting local single dwelling unit neighborhoods. This is in part due to the unconventional development patterns and a variety of disturbance issues. The City of San Diego has proposed code amendments to address many of the concerns related to mini dorms. Information on the mini dorm issue including draft language and electronic maps of the campus impact and beach impact areas are available online at: <http://www.sandiego.gov/development-services/industry/minidorm.shtml>.

Proposed Density Bonus Regulations: The City of San Diego has postponed the hearing with regards to the proposed Density Bonus Regulations until further review and to address the concerns of Councilmembers as well as city residents. A new City Council hearing has not been scheduled. A new report, revised regulations, and a public notice will be provided prior to the City Council Hearing.

STATE ISSUES

SB 670 (Correa) Private Transfer Tax Prohibition: SB 670, the C.A.R. sponsored bill to prevent the use of Private Transfer Taxes, was defeated in committee on May 8th. The legislation would have protected consumers by placing responsible restrictions on private transfer taxes levied by developers and limiting the proceeds to environmental and affordable housing efforts related to the new development on which the private transfer taxes are imposed. For a full discussion of the bill please visit: <http://www.car.org/index.php?id=MzcyMjQ>.

AB 980 (Calderon) Disclosure of Pre-Existing Private Transfer Taxes: The Senate Judiciary committee recently passed bill pertaining to the disclosure of private transfer taxes. This bill will require a separate disclosure to home buyers as to whether the home they are considering purchasing requires the payment of a private transfer tax (PTT), the percentage of the home price constituting the PTT, the duration and recipient of the PTT payment, and that it may potentially affect the resale value of the property. The measure will also require the recipient of the PTT funds to record a separate disclosure; if they do not do so, the new home buyer will not have to pay the PTT. Click for more information on [C.A.R. sponsored legislation](#).

NATIONAL ISSUES

H.R. 1427 - Government Sponsored Enterprises: [H.R. 1427, the GSE Reform Bill](#), is up for consideration by the full House in early May. NAR supports strengthening GSE financial safety and soundness regulation through an independent agency that recognizes and facilitates their unique corporate structures and public missions that assure stability and liquidity that in the nation's housing finance system. NAR also supports the affordable housing and community development programs of the FHLBanks that provide alternative financing for Bank member credit unions, banks and thrifts. Allowing regional adjustments to the maximum loan amounts (“conforming loan limits”) that the GSEs can purchase in high cost housing markets is also favored and of great importance to California.

H.R. 1876 – The Mortgage Cancellation Tax Relief Act: NAR is supporting [H.R. 1476](#) which would change current law that forces individuals to pay income tax when they have had part of a mortgage loan forgiven or have been forced to foreclose because of their inability to pay their mortgage. Current tax law requires a lender who forgives debt to provide a Form 1099 to the IRS stating how much has been forgiven. If the property is sold for less than was borrow or at foreclosure the difference is considered income and therefore taxable. NAR feels strongly that those who find themselves in such unfortunate circumstances should not be taxed on what they term “phantom income.”